

Green Mountain Care Board
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February 24, 2016

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209 Battery St.
PO Box 988
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Delivered Electronically

**RE: Genesis Healthcare, Purchase of Five Skilled Nursing Facilities in Vermont,
Docket No. GMCB-014-15con**

Dear Linda:

Thank you for the responses to our first set of questions. The information requested below is needed to complete our review.

1. In a table format, list the eighteen short and long-term resident stay quality measures from CMS's website on the y axis, and the five Vermont facilities to be purchased and the four currently owned by Genesis on the x axis. For each measure where the facility scores below the Vermont state average, indicate the percentage below average, leaving measures that are at, or above the state average blank.
2. Revise and resubmit Exhibit P by: (1) adding the four Vermont facilities currently owned by Genesis and overall five-star rating; and (2) adding a column on the right identifying the "average" overall CMS rating for each facility over the period of time reflected in the exhibit.
3. Using the same format as in revised Exhibit P (*see ¶ 2, above*) provide two additional exhibits that reflect CMS star ratings for: (1) staffing and (2) RN staffing for all facilities shown on Exhibit P including each of the nine Vermont facilities either owned or to be purchased by Genesis, over the same time period as Exhibit P, adding a final column indicating the "average" for each facility.
4. Provide detailed information on the historical and current relationship/interests between the lender for this transaction, Welltower Inc., formerly known as HealthCare REIT, and Genesis, its subsidiaries, and parent companies.



5. Relative to question 4 of your January 12, 2016 response, provide patient admission criteria currently used in each of the five facilities, presented alongside the admission criteria Genesis will use upon assuming ownership. In addition, provide the admission criteria currently used by Genesis in the four facilities it owns in Vermont.
6. Explain how Genesis provides both mental health services and psychiatry services in its four Vermont facilities, including whether the provider entity is on-site or is a tele-health provider.
7. Provide copies of the most recent audited financial statements for Genesis's four Vermont facilities.
8. Provide a summary and updated status of all pending litigation to which Genesis or its subsidiaries are a party.
9. Provide copies of the management agreements between Genesis and Revera for each of the five facilities. Provide a detailed summary of changes in each facility's management since the agreements were entered into.
10. List the individuals or entities with interests of 5% or more in the real estate relating to the facilities proposed to be purchased, identifying the proposed ownership percentage of each. Provide in same information for individuals or entities with more than 5 percent interest in the operations.
11. Specifically break out in detail the \$800 per bed allowance in the balance sheet and statement of cash flow for each of the five facilities for Projected 2015 and Proposed 2016, 2017, and 2018.
12. Provide a breakout of Medicare revenue by Part A and Part B and sequestration adjustments for each of the five facilities for Projected 2015 and Proposed 2016, 2017, and 2018.
13. For the Utilization Projections in Table 7 identify the number of patient days by payer (Medicare, Medicaid, Commercial, and Self Pay) for each of the five facilities for Projected 2015 and Proposed 2016, 2017, and 2018.
14. Based on data from the Vermont Division of Rate Setting, the raw food cost at Genesis's four Vermont facilities fell each year from FY 2011 to FY 2014 and were below the state median in FY 2014. Explain whether Genesis intends to reduce, maintain or increase raw food costs at the five Vermont facilities it will purchase. If costs are to be reduced, explain in detail how reductions will be attained without affecting quality of services or care.

In responding, restate the question in bold font and respond in unbolded font. Send the original and two hard copies with a Verification Under Oath to my attention at the Green Mountain Care Board, 89 Main



Street, Montpelier, Vermont 05620, and an electronic copy, with any Excel documents to me at donna.jerry@vermont.gov.

If you have any questions, please do not hesitate to contact me at (802) 828-2918.

Sincerely,

s/ Donna Jerry

Donna Jerry

Senior Health Policy Analyst

